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AFRICAN ENTREPRENEURS

Considerations of Structures Shaping Individual Agency¹

by

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INTRODUCTION

For years western donors and, in particular, African policy makers conceived the informal sector as a last resort and a necessary social stopgap. Today, where stagnation and austerity policies are the order of the day in Sub-Saharan Africa, the informal sector - interpreted as the vast non-homogeneous conglomerate of small- and microenterprises operating on various parameters defining their formality/informality - is widely recognized as a major future employment creator. Characteristically, the World Bank made the dynamism of micro and small enterprises a main theme of its long term perspective plan 'Sub-Saharan Africa - from Crisis to Sustainable Growth' in 1989.

In order to achieve this development effect, entrepreneurship should be encouraged through creation of what the Bank denotes an 'enabling environment' for small enterprises. But the entrepreneurial capability to utilize potential market opportunities is not only a matter of government generated favourable business opportunities. Structural as well as cultural factors influence the entrepreneurs' behaviour and abilities.

The author's intention with this article is to present some reflections which are going to constitute the framework for a forthcoming survey. Focus is on environmental factors facilitating or retarding entrepreneurship in contemporary Africa.

MICRO-ENTERPRISE ENTREPRENEURS

Recent writings on entrepreneurship in less developed countries have been less concerned with the innovative Schumpeterian entrepreneur and have instead highlighted formation and management of small enterprises. They argue that perceiving truly new economic possibilities and carrying out pioneering technical and organisational innovations are largely irrelevant in early industrial societies as those of Sub-Saharan Africa. To Peter Kilby, one of the strong proponents of the 'non-innovative' approach, such activities as the perception of market opportunities, the ability to make investment decisions and the willingness to bear risk are available in abundant supply in late-developing countries and do not constitute bottle-necks. It is the day-to-day functions of managerial co-ordination and production which, according to Kilby, pose problems (1988). Inefficiencies in the routinized managerial functions should thus be a major factor preventing domestic entrepreneurs from continuously expanding their firms and from moving into more complex manufacturing activities.

This article largely follows Kilby's concept of the entrepreneur. 'Entrepreneurs are thus people who perceive profitable opportunities, are willing to take risks in pursuing them, and have the ability to organize a business' (World Bank 1989). Consequently, entrepreneurship is, in my view, not only a matter of investment in productive activities. In most African countries the biggest

entrepreneurial success has been in property development and agriculture, not manufacturing (Elkan 1988). The preference for investing in real estate rather than in manufacturing should not, as noted by Elkan, be perceived as lack of entrepreneurial skills but rather as an endeavour of maximizing the expected returns and minimizing the risks.

The adherence to Kilby's entrepreneur concept should not be seen as a general abandonment of the Schumpeterian distinction between entrepreneurial conducts expressed through creative responses to economic opportunities and the capitalist function of risk-taking. Discussions of entrepreneurial supply would be crippled if the innovative aspect of entrepreneurship is not upheld. It is, however, a widespread practice in much empirical and policy-oriented literature to use the 'owner-manager' and 'entrepreneur' concepts synonymously. I stick to this custom for several reasons. In the first place, I agree with Kilby's weighting of the entrepreneurial functions in contemporary Sub-Saharan Africa. Secondly, the overlap of 'owner-manager' and 'entrepreneur' is closely knitted in the lower end of the size continuum of business enterprises, i.e. small- and microenterprises. Finally, it recognizes the practical problem inherent in sustaining the distinctions between owner-managers in empirical studies of small secondary and tertiary towns, which forms the framework of the forthcoming research.

THEORETICAL CONSIDERATIONS FOR RESEARCH IN ENTREPRENEURSHIP

So far I have argued for a definition of entrepreneurs as owner-managers, i.e. for research of enterprises which alternatively has been done under the general headings of informal sector, micro- and small enterprises or petty commodity production.

Where theories of entrepreneurship often have been related to voluntaristic views and have perceived the individual as atomized from society, theories of petty commodity producers have emphasized deterministic relations. I find this cleavage between the approaches unnecessary, and it is my intention to make an attempt to bridge the gulf. Entrepreneurship do demonstrate both patterns of external (to the individual) structuring forces and patterns of creative human activity.

A theoretical discourse on entrepreneurship can become manageable by distinguishing between place specific conditions and wider national and international dynamisms on the one hand, and on the other, between human agency and structures shaping entrepreneurship.

The following sections will start by dealing with human agency and the related questions of 'biography-formation' in individual lives. From human agency I will proceed to economic and power relations structuring entrepreneurship. The theoretical discourse will be finalized by considering the possible methods to improve research on entrepreneurship in localities.

The individual and society: Agency and structure

Literature on entrepreneurship often discusses whether entrepreneurship is to be conceived as socialised skills or individual capabilities. This discussion is not particularly fruitful. More helpful is Preds (1986) binary concepts of external-internal and life-path - daily-path dialectics. Entrepreneurship has then to be understood as containing both sides of the coin.

The external-internal dialectic accounts for the mediation between individual intentions (mental activities) and physical acts. Physical acts cannot occur without resulting in internal mental activities. Action is intimately related to what we know, think and dream. With a slight change in the attached meaning it can be stated that being in the world is both inclusive (a member of a meaningful world) and positional (having a particular place in relation to others as gender, age, occupation, ethnicity, etc.) (Thrift 1983).

The external-internal dialectic seeks to explain socialization as a process of external structures and practices knitted together with mental processes internal to individuals, whereby they attach meaning to activities. But 'meaning' to activities is not created by individuals in solidarity. Physical acts are embedded in both inclusive and positional relations to other humans. The internal mental processes of the individual reflects this.

To understand this we have to accept that humans are born into a particular social position and at a particular time. As humans we are born into existing material conditions, cultural and social institutions created in the past history, by the generations before us that constitute our preconditions. We are socialised in a process, in particular during primary socialization, where we absorb the rules of behaviour, skills and competencies to a given social context (Berger and Luckmann (1967)). Socialization does not determinate human agency to continue to reproduce the preconditions. It is a perpetual process throughout life where the processes, internal and external to individuals, both reproduce existing structures and power relations and produce new ones.

The other side of the coin is the interplay between individual daily-path and life-path dialectics. By using the term path, the time-dimensions in daily practices and in the life-span is related to a spatial dimension. Life-path dialectics combine the socialized and experienced 'life-stories' with the goals and ends that individuals form for themselves. Daily-path dialectics are the daily practices viewed by their temporal and spatial distribution during a day.

Where the external-internal dialectics focus on socialization, the daily-path - life-path dialectics focus the interplay between long-term commitment and daily practices. Long-term commitment is based on the segmented experience gained by individuals during their lives. It is a record of those influences the long-term opportunities have opened for the individual. Daily-path experiences, interactions and encounters help individuals to define and redefine themselves, but always in reference to earlier lived life.

As a summary of the general theoretical statements above, I will state the explicit relevance of these considerations for a theory of entrepreneurship. Entrepreneurship is in my definition closely tied to individual acts, because I have chosen to focus on the owner-manager instead of a functionally defined

concept. It consists of capabilities, willingness and intentionality performed though acts by individuals. It has therefore been necessary to discuss in some depth the theoretical conceptualization of the relation between the individual and society, between agency and structure. Entrepreneurial acts are, as all other acts, framed by intentions and meaning, which can not be deduced from a theoretical construct of an atomized individual. Entrepreneurs might perform their economic transactions with different degrees of success, but as owner-managers of enterprises they have to combine meaning and intentions to be able to act. The capability and willingness to perform as an entrepreneur is therefore closely related to socialization, of which childhood primary socialization forms an important part in defining an individual's life path. This conceptualisation conforms with, for example, Nafzingers (1988) pin-pointing of a strong correlation between successful entrepreneurs and a family background with high income and social status. But entrepreneurship might also be measured in other terms than acquiring wealth. The essence of our discussion of the intentionality is that acts of economic transaction will be conducted in a way that is 'meaningful' to the entrepreneur in his or her social environment. Entrepreneurship might not only be a straightforward project of investment in a single business.

Entrepreneurship in the Third World

Before elaborating further on the theoretical aspects of entrepreneurship, it might be useful to highlight a number of more general findings in an African context.

E.W. Nafzinger has summarized the relationship between society, socialization and entrepreneurship (1988). He states first that social class is an essential factor in determining entrepreneurial success. Nafzinger's own as well as other studies have found that a disproportionately high number of entrepreneurs (and especially the successful ones) come from families with high social status. Upper class individuals are enabled by their environment and their social skills. They tend to be more capable of taking advantage of economic opportunities, while individuals from lower classes have low probability of economic success. The poor and resource-weak social groups, including women, have little opportunity to acquire the skills and other resources necessary to participate in the more attractive forms of small business. These groups at the bottom of the social system are driven to look for the marginal opportunities in their search for a subsistence. Easy-entry activities tend to be associated with poor remuneration.

Another finding by Berry (1977) refers to the role of the family, kinship and community affiliation. She suggests that these social networks frequently facilitate entrepreneurs by providing funds for apprentice training, labour recruitment and supervision, sharing collective facilities, acquiring information, and mobilizing credit, while they contribute little to initial capital. But these relations may hinder the expansion of the firm by diverting resources to meet the obligations from the network. Nafzinger (1988) mentions, however, that in his findings family frequently provides initial capital for enterprises. Maris and Somerset (1971) mention the latter as typical for the Asian entrepreneurs in East Africa in their studies, while successful African entrepreneurs were characterized by consciousness rejection of family members' engagement in the management of the enterprise.

In his survey of nonfarm enterprises at market places and small towns in western Kenya, Billetoft (1989) identified two distinct groups of successful entrepreneurs. One is the group of middle-aged and older entrepreneurs, often with 15 to 20 years in business. Even though their vocational and managerial skills are limited, they have accumulated rather impressive fortunes. They were characterized by operating a combination of commerce and manufacturing, using hired fundis (artisans) for most of the manual labour. Economically their investments, and thereby the risk, were spread over a broad field. Landholdings, retail shops, maize mills and matatus (route minibuses) were typical investment objects. Bendevid-Val et. al (1988) made similar observations on Kenya's Central Province, where high-income rural households were characterized by a diversity of non-agricultural investments, particularly in commerce, by high wage-labour incomes and by higher investments in agricultural inputs. These households seem not only to spread their risks, but also to be better off because profits from non-agricultural investments were reinvested in agriculture (in particular coffee) and vice versa.

Billetoft's (1989) second group of successful entrepreneurs were a new generation of better trained and more straight commercially minded businessmen. They were characterized by better knowledge about market opportunities, and concentrated on one rather than several simultaneously fields of investments. Furthermore, their initial investments were larger than the average among entrepreneurs. According to Billetoft, the success of this group has to be viewed as related to their ability to adjust to customers' demand, a capability brought along by their skills and specialisation.

It is obvious from this short resume of findings on entrepreneurship in Africa, that different conceptions of entrepreneurship and variables used to 'measure' entrepreneurial capabilities flourish in the research world. This abundance of 'views' on entrepreneurship forms the background for our theoretical sections in this article. Instead of rejecting a diversity of different forms of entrepreneurship, I believe that entrepreneurial studies must accept this diversity. The development of entrepreneurship and capitalism in Africa cannot be regarded as only following the historical development of the West. Only as a theoretical construction can phases in the economic development and their social effects be reproduced, as we do in the following section. African entrepreneurs must cope with the many facets of contemporary capitalism and with social structures and power relations specific to their localities. Studies in entrepreneurship can in our opinion progress if the three elements of individuality-society, economic structures and power relations are brought together in studies of localities.

"Rather than assume, for example, that the institutions of the 'firm' and 'household' perform the same economic roles in African economies as they do in Western ones, we might begin with individuals as economic actors and then ask how their access to and use of economic resources is affected by their participation in a variety of institutional relationships or settings, including marriage, residential units, genealogical units, communities, work places, unions, political parties, ethnic associations, etc." (Berry 1977, p. 10).

Economy and place

The development of capitalism has brought the world closer together than ever before in history. The economic development has been characterized by patterns of economic exchange which has linked most places in the world to the economic centers of capital accumulation. It is a development where the patterns of geographical division of labour have moved towards increased integration, at the same time as local predispositions becomes more and more important.

Entrepreneurship is to be understood as conditioned by the intersection of (external) economic forces and local (pre)conditions. A point of departure to understand these processes is the historical development of capitalism through the last couple of centuries. Capitalism has developed forces governing economic exchange, which in turn have changed social relations, but in no uniform way. Entrepreneurship in localities shows patterns particular to places, but is constrained and enabled by external economic forces. To explain these economic forces and the social relations they condition, I will explain contemporary structures by their historical origin. In my account I will distinguish between three major historical frameworks to economic exchange. But as the past forms part of the present, and as the economic forces discussed are unevenly developed in space, it is also very much an account of excising economic structures. The three economic rationales are the local economy of 'becoming capitalism', large-scale production and late-industrialism.²

Prior to large-scale production localities can be interpreted as having a close relationship between their consumption and production. External trade to localities has existed through history, but was restricted because of a number of barriers:

- 1) Badly developed infrastructures
- 2) Missing stable economic institutions surrounding trade
- 3) Low capacity of transport
- 4) High risk of loss of goods during transport
- 5) Customs and other trade barriers that protected local production and/or benefited local power-holders.

In an African context this was certainly the case before the construction of railroads and other permanent infrastructures. Entrepreneurship was closely related to trade, and showed great diversities between different localities and regions in Africa. The affluence in certain localities did bring about trade, but it never developed beyond a point where the substantial part of consumption was met by local production. External trade improved local conditions of production in some places, e.g. exchange in iron, but never developed in most parts of Africa beyond a point characterized by 'luxury goods' and 'episodical' exchange.

Where localities are constrained in their economic exchange with the external world, the possibilities of developing production is also constrained. Specialization and large-scale advantages depend on the access to markets. Where the

² Major parts of the following build on Maskell 1989.

cost of transportation exceeds the local cost of production, only very essential goods and luxury goods, spurred by affluence, survive in trade.

If communities overwhelmingly have a population born at the place and socialized into it, the sense of community and place forms a powerful structure tying people to place and community. Economic exchange at such a place is embedded in local social relations. Economic exchange is more than an act of exchanging goods. Because they are carried out in a framework of social relations, economic acts are socially embedded in personal relations and communal rules, institutions and control. Surveillance is part of common social relations.

Economic exchange in the local context is therefore in principle between people knowing each other from other spheres of life. Local society will have rules regulating what is fair trade and what is fraud. Opportunists and offenders of these rules would be punished not only by those they had offended, but by the whole community.³ Suppliers and customers are so to speak united in a framework of social control, where individual opportunism in exchange limited by interpersonal commitment on one hand, and community loyalty on the other. Opportunism does not pay under these conditions, because opportunism in one business link also affects all the other links. The loss of confidence could not be isolated to just one business link. The whole community was more or less linked up through a network-like structure. This is not to say that opportunism does not exist, but more to emphasise that the economic logic supported by social control limits economic benefits in opportunistic behaviour. What logically was beneficial was stable network relations, i.e. stable contacts between supplier and customer.

MARKET CAPITALISM

Industrialization changed the structures in the locally based production and consumption system by the development of technologies and organizational restructuring of the division of labour in production units. Large scale production has enabled the accumulation of capital and the growth of production on a scale beyond ever before in history. Production costs decreased, infrastructure was improved, and the barriers to trade were reduced. The combined reduction of production costs and transport enabled mass-production to compete on an increased geographic scale with locally produced goods. The supply of basic commodities at cheaper prices than it was possible to produce at the local level changed local consumption.

Localities became more diverse during this process. Some became localities for production directed towards a market that in principle was global, while large-scale industrial production was absent at other localities. The economic processes in the former localities dichotomized capital and wage-labour. It was - and is - by no means a unilateral process, but has at its core necessary economic relations, that help us to explain the development of social structures in these localities. Other places that did not become localities for large-scale

³ It is conditions where the modern nation-state do not play the role as third instance -neutral and above - to individuals. The attaching of discreteness to individuals is a historical product (Thrift 1983).

production show a variety of social phenomena expressing social forces that anticipated large-scale production. But mass production has also effected these latter localities, by opening up new avenues for trade in mass produced goods and thereby eventually by its competitive force that constrained or prevented artisans and small industries from continuing their former 'trades'. The changes also involved agricultural production, where the balance between production for household consumption and for exchange started its move towards making farming households' dependent on the market on an increasing scale.

In sum, localities everywhere were drawn into the world market, by a process that increased differences among them. Large scale production formed economic conditions that changed the conditions for entrepreneurship by constraining the possibilities in certain industries or trades while enabling them in others. Localities became transformed through this sedimentary process of combined external and internal forces.

Summarizing on large-scale production, I think it is important to point out that a model for economic development based on entrepreneurship (i.e. defined in this paper as owner-manager control of small-scale businesses) cannot be seen in isolation from the socio-economic structures produced by the large-scale production segment of the economy. Entrepreneurship has to be viewed as based on conditions different from those conditioning large-scale production, but at the same time as influenced by the forces, or structures, the latter sets in motion. One can in many ways even say that large-scale production sets the agenda on the evolution of industries and geographical localities, but such an understanding requires that one do not confuse this with power to determine the evolution of industries and geographical localities. The socio-economic development process - if conceived from a spatial point of view - is also influenced by forces particular and specific to single geographic localities, among which are the human skills, economic capital, socio-economic institutions and organisations, etc. formed in history by past processes and by present initiatives.

LATE INDUSTRIALIZATION

The historical development of capitalism has not been unilateral, but certain tendencies that have gained strength during the last decades can be gathered under the heading: late-industrialization. One of these is the specialization that has followed in the tracks of mass production. Maskell (1989) gives examples of how the process of specialization has moved towards combining forms of world dominance on specialized products with different forms of joint cooperation between independent capital units. One of these forms occurs when the combined effects of competition and specialization reduce the segment of the market produced for by single capital and production units. Examples can be given from market segments like 'chips' for personal computers, electrical heating elements for household electrical cookers, petrol or diesel engines for motor vehicles, vital parts like brakes, front and rear 'gear-shifts' and cranks for bicycles.

Another related trend has been labelled flexible automatization (Stohr 1989). Flexible automatization builds on 'internal economies of scope' whereby single production units become more efficient by operating two or more production lines or activities in tandem (Storper and Walker 1989) these allowing the prices

of small batches to be competitive with those of large-scale production. Flexible automatization offers new opportunities for entrepreneurship. The means of production have become cheaper and competitive opportunities have improved for small enterprises. But flexible automatization has also been characteristic of some sectors of large-scale production. In car manufacturing, for example, multiple production lines allow producers to meet more specialised consumer preferences.

The effects of these developments have obviously been manifold, but two issues are particularly important for the studies of entrepreneurship and networks. First is the issue of social relations between entrepreneurs, where social networks in later years have gained ground as a way to explain characteristics of entrepreneurship (Johannisson 1987, Stohr 1989). In my opinion social networks cannot be explained without including how economic relations are interwoven in structuring individual relations between entrepreneurs. Understanding networks between entrepreneurs therefore involves considerations of the way social relations enable and constrain economic structures. When explaining economic structures involved in the network phenomenon, we find that at least two different causal factors.

One is related to specialized large-scale production. The particular competitive advantages of large production units are their specialized knowledge and production. Paradoxically, they have a very narrow segment of the market, yet they produce for a global market. Their specialized items are produced in a chain of more or less specialized units. Irreversible investment in stable contacts and cooperation is beneficial in such situations, because information can be exchanged for mutual benefit. Investment in cooperation between them is irreversible, because information exchange and time used on it cannot be withdrawn. But irreversible investment forms greater benefits than costs, when the production units operates on a specialized market segment. Networks have also been related to localities with a strong 'community spirit', i.e. where symbolic and interpersonal commitment overlap with an identification by individuals to the locality or place (Johannisson 1989). Networks here have been viewed as the means that made some local communities prosper, and a potential means for a 'bottom up' planning approach emphasizing local initiatives (Stohr 1989). Among the preconditions for this is of course that entrepreneurs are 'available', but it is also recognized that 'bridges' to the external world must be built to enable export from the community. Furthermore, such 'bridges' have to link up to government support of knowledge, skills and funds. These bridges are in general viewed as performed by an altruistic entrepreneurial type, one who is able to neglect the generally believed (in this kind of entrepreneurial literature) characteristic of egocentrism involved in entrepreneurship, and therefore able to benefit and be trusted by, the whole community. As Stohr (1989) points out it has also brought about the revitalization of local communities as new opportunity. But I have to add, that flexible automatization demands skills and knowledge combined with particular forms of social consciousness from the individual. At the same time individual opportunism has to be controlled. In contrast to specialized large-scale manufacturing units producing for the world market, these entrepreneurs do not dominate any segment of the market beyond the locality. So cooperation has to be based on forces other than economic necessity. Control has here to rely on community sense and control in a locality. Place has therefore for certain

economic segments, and in particular entrepreneurship, gained new importance in economic development.

While the literature above is built on European experiences, literature built on African experiences has moved in an opposite direction. Hyden is one of the main figures in literature regarding social networks as barriers to African entrepreneurship. He views the mutuality in networks between the involved individuals as the main reason for the diversification of investments characterizing African entrepreneurship (Hyden 1987). Hyden's basic point is that the commitment to families and friends has to be set aside for African entrepreneurship to develop and prosper for the benefit of the national economies. Networks in the European view enable economic development, while in the African, they constrain it.

In my opinion there are at least two reasons for the different findings. One is that while some of the European cases draw on specialized and technologically advanced small enterprises, this is not the case for the African findings. In the European case economic forces work towards mutual benefits in specialization also at the local level. Their competitive capabilities are improved. Besides specialization, identification with the community for the model of local development based on entrepreneurship and social networks, and Europe's unique dominance of entrepreneurs in the locality are basic conditions.⁴

Finally, I would like to point to the differences in context. Berry's (1985) studies of entrepreneurs in Nigeria illuminates this in a splendid way. She explains how the entrepreneurs face contradictions between developing their enterprise and keep it running. The former demands time and energy to cultivate good relations with potential customers, creditors and bureaucrats who control access to key resources. The latter requires surveillance and supervision of the production in the enterprise. The physical indivisibility of the owner-manager in time and space illustrates other features in the context important to facilitate networks benefitting entrepreneurship and allowing the growth of small enterprises. One such feature is the 'quality' of the labour force. Employees in small enterprises need skills and internal motivation to allow the absence of the entrepreneur. The time consumed by networks in a way demands great loyalty to and identification with the enterprise from the employees. Such conditions are very seldom found in small African enterprises, where job security is unstable and large-scale or government employment are the major priorities among the employees (Berry 1977). Another feature is the management of the enterprises. Marris and Somerset (1971) has emphasised the sharing and delegating of financial and managerial responsibility as the achilles heel of African enterprises. When entrepreneurship is perceived as personalized control over the enterprise, the argument of networks can cut both ways. Time spent

⁴ The idea of developing localities by local entrepreneurship has yet to prove it self in developing areas where large-scale capital and wage labour have dominated. Many former industrial localities in Western Europe have been touched by the restructuring process in industrial production during the last couple of decades, and many of them have now high rates of unemployment. These areas seem not to fit into the approach of entrepreneurial network from below. If nothing else it illustrates the uniqueness of place.

on establishing and maintaining networks also limits the time spent on organizing the activities in the enterprise.

POWER AND ENTREPRENEURSHIP

A field often neglected in literature and research on entrepreneurship is the issue of power. I find this situation unsatisfying. Primarily because it often leads to implicit adoption of a simple and unreflected definition of entrepreneurship, that neglects the fundamental aspects of how power enables and constrains entrepreneurship. Such implicit definitions might reduce power to a 'thing' like aspect measurable in terms of income and money, while power in my opinion bears more than that.

Power also becomes important when entrepreneurship is viewed as a place-bound-practice. Economic exchange, be it production, service or commerce, happens as events fixed in time and space. It involves the encounter of entrepreneur and customer, where 'meaning' is fixed to the exchange. Now 'meaning' in acts comes from several sources, power relations being only one of them. But just as entrepreneurship at the same time connotes a general feature in economic development and the existence of particularly gifted individuals. Power connotes a duality of a general phenomenon and a particular characteristic of single individuals: some individuals are more powerful than others.

The following discussion of power will therefore argue that conventional definitions of power relations are too narrow, and that power relations can be conceptualized as 'the invisible structural cement holding the individual, society and nature together in time-space specific practices by which places continuously become' (Pred 1986, p. 25).

A concept of power must be able to contain aspects of personalized intentionality in the exercise of power, as well aspects of how social structure is enforced. To this purpose Foucault's definition is useful. Foucault (1982) views the exercise of power 'as [ways] to structure the possible field of action of others'. In this framework Pred (1986) argues that power can be viewed as:

- 1) The capacity to define the content of specific projects (acts in time and space) involving others, i.e. to administer, co-ordinate, supervise, etc. acts of others.
- 2) The capacity to prohibit or prevent the participation of others in a particular project, i.e. preventive through laws, negative sanctions, economic barriers, mobilization of knowledge from surveillance or/and bureaucratic records.
- 3) Specific to social relations power can be expressed as on the one hand, the capacity to require, permit and facilitate the coupling of others in specific projects in time and space. And on the other, the capacity of inhibiting, restricting or forbidding the coupling of others.

Power is therefore more than just a capacity of getting others to do specific acts, it is also the capacity of preventing them from acts. Furthermore it is not just a person to person encounter, it involves also a capacity to prevent, enforce or enable others' paths, as acts from absent powerholders. Finally, power also involves more than the question of 'acts', it also involves

preventive, enabling and enforcement capacities to define time and space particularities on where acts can be done or prevented.

Power is relations between individuals or groups and collectives in society. But power only stands on its own feet when related to brute force. Power is normally embedded in society, because it is based on an interplay between the inclusiveness (making the world meaningful) and the positional (the particular place of the individual in relation to others as gender, age, occupation, ethnicity, etc.). As Preds writes:

"The establishment and reproduction of power relations normally rest on the accumulation of meaningful resources, such as wealth, symbolic capital, status and specialized knowledge" (Pred 1986, p. 26).

The number of sources able to establish power, and that power, when not brute force, has to be perceived as 'meaningful' underlines the doublesided relation of power in a dyadic relations. Both individuals have to attach some form of legitimation to the way power is exercised, if not just brute force, but also the multivariety of sources to power.

Entrepreneurial studies often focused on economic power, but the economy is only one source of power. Entrepreneurship is not only related to the social constructs of the 'meaning' to attached economic exchanges (the intentional side of the act), but also enabled or restricted in changing these 'meanings' of economic exchange by power relations in localities' social structure. In other words the issue of power underlines the necessity for a focus on localities when studying entrepreneurs.

CONCLUSION: ENTREPRENEURSHIP AND LOCALITY

So far I have argued for a conception of entrepreneurship that emphasizes the study of localities. In this I have argued why localities should be preferred to, for instance, regions. I will admit that the choice is somehow arbitrary. Locality and region designate spatial boundaries, only commonly connoted with differences in scale. I have preferred locality studies because of the overlap of a space specific place with 'local social structures', where regions often are seen as connoting either homogeneous areas or self-sufficiency. The region designates either a unit of shared economic, political and cultural features, or a set of self-contained (self-reliant) complementary activities (Urry 1981). Locality is a term more capable than regions of comprehending local development as a dialectical process involving both external factors (national and internal changes in e.g. economy and governmental directives) and internal factors to the locality (Urry 1987).

The distinction between external and internal factors is just one of the theoretical tools that helps us to make rude characteristics and gives reasons explaining entrepreneurship in a given locality. The section on economy and entrepreneurship is such an account of wider economic relations external to localities, but influencing local development. Doreen Massey has on this topic written:

"If a local economy can be analysed as the historical product of the combination of layers of activity, those layers also represent in turn the succession of roles the local economy has played within wider national and international spatial structures (Massey 1984: pp 117-18).

Moving on to entrepreneurship, or petty commodity production, Watts (1987) has stated that there is no generic theory of petty commodity production, i.e. in our terminology entrepreneurship. Watts emphasises thereby that the preconditions for entrepreneurship are those of capitalism itself and capitalism hence constantly produces 'places' for entrepreneurship, 'places' that are unstable and shift between branches and sectors through time. What Massey and Watts emphasis above has to be viewed as external forces involved in shaping entrepreneurship and localities. But as Cochrane (1987) has remarked, local economies cannot be analysed by accounts which neglects forces internal to the localities.

The importance of internal factors structuring entrepreneurship in a locality can start with an account of 'the local setting' (Thrift 1983).⁵ Such an account would involve the explanation of how the following four conditions has been combined in structuring a particular place and its entrepreneurship.⁶

- 1) The natural preconditions (geology, hydrology, climate, soils, etc):
Entrepreneurship in small towns in Africa is often based on combining capital accumulation from farming with trade or small-scale production, where the scale of entrepreneurial activities often varies with the households agricultural assets
- 2) The organization of production in a locality, ascertaining the local level of production forces and the forms of productive relations:
Levels of production forces in African entrepreneurship are extremely place specific, and they are often conditioned on the available infrastructures, e.g. electricity. Production relations are often weakly established in small towns, while larger towns often have established more strong production chains of specialized small enterprises.
- 3) Outline of the class structure in the locality and its history:
In the Western world the local class structure, and its historical development, obviously is an important element in understanding absence or presence of entrepreneurship, and the social structures and power relations taking part in defining 'meaning' attached to entrepreneurship. In Africa most small towns might look rather homogeneous, but differentiation processes structuring entrepreneurship indicates emerging class structures, e.g. the difference between entrepreneurship as a 'survival' strategy for small-scale farmers, or as 'extra-income' source for civil servants or as means to

⁵ Thrift uses the term 'regional', where we use 'locality'. Thrift's preference for the 'regional' reflect his use of 'stucturation theory', and in this the term 'regional' denotes areas of individual daily-path and life-paths.

⁶ The four point are based on Thrift 1983. Thrift includes the local state as a fifth point. Although I do not disagree with Thrift on the necessity of treating this point, time and space do not allow it to be discussed here.

accumulation by entrepreneurs ploughing profits back into their investments. Large cities in Africa show some of the same structures, but bourgeoisie and wage-labour classes are in the process of becoming a major cleavage in the overall social structure.

4) The prevailing sexual division of labour, ethnic, racial and religious divisions:

Analysis of entrepreneurship can be informed by considering how local sexual divisions of labour have been involved in shaping entrepreneurship, but the method of analysis might gain even more if it is realized that entrepreneurial experience forms part of the struggles over power and 'meaning' of social institutions - e.g. family, marriage, division of household labour - at a locality (cf. Watts 1987). If this is realized we might also gain better ground for understanding the actual social structures and power relations involved in creating particular local forms of entrepreneurship. Ethnic, religious and racial divisions characterize historical and contemporary patterns of entrepreneurship in Africa. Struggles over access to economic resources over the last decades have reflected ethnic, religious and racial divisions. Studies of entrepreneurship in localities will often show patterns of ethnic or racial divisions related to particular ways of organizing entrepreneurship, and will at the same time show a number of cases with highly sophisticated balances between political power and economical power.

The four points above makes up for the 'compositional account' of internal local conditions (Thrift 1983), but do not - as Thrift remarks - account for the contextual discourse. Explaining entrepreneurship in a locality also calls for means to interpret how entrepreneurial practices are framed by and given 'meaning'. Methods to study entrepreneurship as human agency in context, have to draw on some of the considerations in our section on individuality - society, agency-structure. I will finalize this section by giving examples and suggestions from the literature on research technique that might help to inform contextual discourse (Cooke 1987, Fred 1986, Thrift 1983).

1) Entrepreneurs' life-stories:

The temporal and spatial succession of places lived and experiences gained by individual entrepreneurs not only tell us about how and where skills and knowledge were gained, but also give us information on the role of social institutions, on power relations and on how 'meaning' has been produced and reproduced through a lived life (cf. Bertaux 1981)

2) Entrepreneurs 'daily path projects':

Reconstruction, by participant observation, of how daily activities for different categories of entrepreneurs are temporally distributed in space can give much relevant information. Main social and economic arenas can be traced and identified, social institutions and power relations involved in entrepreneurship can be traced from his/her absence and presence. Time is finite and physical movements in space are restricted by time. 'Daily paths projects' will therefore illuminate skills, knowledge and consciousness involved in entrepreneurship.

3) Knowledgeable local non-entrepreneur informants:

The use of local informants is an old anthropological trick, whereby different information can be used to collect the puzzle of social structures and power relations in the local context. This information is also useful in triangulating different sources of information.

4) Interviews with several household members:

A clearer notion of the 'meaning' of entrepreneurship might be obtainable from interviewing several household members one by one. Again triangulation will help to illuminate struggles over 'meaning'. It has to be recalled that entrepreneurship in Africa often is organized through the household (Berry 1977). In such households there are several criss-crossing relations, as between core family members and 'extended' members, as how the dominant patriarchal/matriarchal relations are structured, as how the actual control of the business is organized, etc.

5) Written material like local historical descriptions, personal diaries, biographies, etc.:

Different kinds of materials, from fiction to non-fiction, often provide informed sources to gain an understanding of context.

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